

CURRENT INTELLIGENCE WEEKLY REVIEW

20 October 1960

CIA HISTORICAL REVIEW PROGRAM

RELEASE AS SANITIZED

1997

PART II

NOTES AND COMMENTS

CUBAN DEVELOPMENTS

The Cuban nationalization decrees of 14 October and the urban reform law of 15 October have the most drastic social and economic implications of any measures yet taken by the Castro regime. They virtually wipe out sources of income for the upper and upper-middle classes; and give the state complete control over urban real estate.

The 382 businesses expropriated on 14 October, mostly Cuban owned, represent the bulk of large and medium companies that had remained in private hands, and they have an estimated total value of \$2 billion. They range from theaters and department stores to railways and the Bacardi rum distilleries. The seizures complete the government takeover of the sugar and textile industries. The move is frankly explained as a measure to "liquidate the privileges of certain economic classes" standing in the way of the revolution. Another law issued the same day nationalized all Cuban private banks.

The urban reform law, which reliable sources reported to be under consideration almost a year ago, eliminates landlordism in Cuban urban areas. All leases are declared void and mortgages canceled. Rent payments are to be made to the state and applied toward purchase of the properties by the former renters at prices set by the government. Purchasers cannot resell without government permission, and the state is to have the first option to buy.

The government is to pay the former owners an income equivalent to what they had

received in rent, but only up to \$600 per month; the excess goes to the state. Heirs of former owners get nothing. National and provincial urban reform councils are set up to implement the law, the objective of which is stated to be to provide "every family with a decent home." The law is likely to have an initial strong appeal to lower and middle income renters in the cities, where abusive real estate practices have long been prevalent.

Active opposition to Castro continues among scattered groups inside Cuba despite the fear instilled by recent executions and the increased government repression. Several hundred guerrillas are reported still active in the Escambray Mountains despite government claims that virtually all guerrilla forces have been liquidated. Most sources agree that the guerrilla groups are poorly armed and provisioned; among their biggest problems is a lack of unity and popular effective leaders.

continued defections by armed forces personnel and scattered acts of sabotage.

A block-warden informant system, called for on 28 September by Castro to control counterrevolutionary activity in the cities, has reportedly already been instituted in Santiago, where the people appear thoroughly intimidated by recent developments. A fairly reliable source with government contacts reports that the government has prepared a new decree for compulsory military

CURRENT INTELLIGENCE WEEKLY REVIEW

20 October 1960

training for all Cubans between the ages of 14 and 40.

An insight into Fidel Castro's thinking has been provided by [REDACTED]

[REDACTED] who talked with him in mid-September. Castro expressed the conviction that capitalism is doomed and the United States "finished" as a great power, "a victim of the corruption of its political powers by greedy, self-gratifying industrialists." Castro added that US "democracy is a sham and an empty balloon." The United States must be kept constantly on the defensive. "in its present state of confusion," said Castro, adding that he has no intention of letting up on his attacks.

The "Eastern powers" will win the ideological war and therefore, Castro said, Cuba must join with these countries. Referring enthusiastically to Soviet technicians, Castro said, "With all these excellent people in Cuba, we will defeat the corrupt capitalist system." Castro went to great lengths to describe his self-ascribed role as the rising leader of the peoples of Latin America and Asia.

Although reports are still unconfirmed that Soviet MIG fighters have arrived in Cuba

in one or more of the three major bloc military shipments thus far, such planes probably will soon be sent to Cuba if they have not yet been. [REDACTED]

[REDACTED] Cuban pilots are progressing in their training in Czechoslovakia. Reports of construction work by Czech and Soviet personnel around Havana and near several air bases probably involve placement of anti-aircraft guns and fire-control apparatus. Anti-aircraft artillery, as well as machine guns and at least 100 jeeps, have been among the equipment in recent Soviet shipments. A fourth major shipment of Soviet bloc military equipment is due momentarily aboard the Soviet vessel Atkarsk.

Cuba appears about to recognize East Germany and would thus become the first non-Communist bloc state--except Yugoslavia--to do so. The Cuban under secretary of foreign affairs recently told the West German ambassador that Cuba intends such action and repeated his statement after the ambassador warned that this would mean a diplomatic break with West Germany. A Rumanian commercial delegation has arrived in Cuba, probably presaging diplomatic recognition and a trade agreement with Bucharest. [REDACTED]